

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

(1) PAULS VALLEY HOSPITAL)	
AUTHORITY d/b/a PAULS VALLEY)	
GENERAL HOSPITAL,)	
)	
Plaintiff,)	
)	
v.)	Case No.: CIV-18-826-F
)	
(1) NEWLIGHT HEALTHCARE, LLC,)	
a Texas limited liability company,)	
(2) LTC GROUP, LLC, a Texas limited)	
Liability company, and;)	
(3) FIRST UNITED BANK AND TRUST CO.)	
an Oklahoma Domestic Bank,)	
)	
Defendants.)	

MOTION FOR ENTRY OF DEFAULT

COMES NOW defendant NewLight Healthcare, LLC, a Texas limited liability company (“NewLight” or “Defendant”) and moves for the entry of a default on its counterclaims [Doc. No. 10] against Pauls Valley Hospital Authority d/b/a Pauls Valley General Hospital (“PVHA”). In support of this Motion, NewLight states as follows:

1. On August 15, 2018, PVHA filed a Petition in the District Court of Garvin County, Oklahoma, alleging certain claims against NewLight, the former manager of the Pauls Valley General Hospital and a secured creditor of PVHA. In conjunction with its Petition filing, PVHA sought and obtained a temporary restraining order without notice to NewLight temporarily enjoining NewLight from collecting on the secured debts owed by PVHA to NewLight.

2. On August 26, 2018, NewLight and its co-defendant, LTC Group, LLC, filed a Notice of Removal removing this case to federal court based upon diversity jurisdiction pursuant to 28 U.S.C. §§1332(a)(1) and 1441(a).¹

3. On September 4, 2018, NewLight filed a “Motion to Dissolve Temporary Restraining Order and Brief in Support” [Doc. No. 7] seeking to dissolve the temporary restraining order entered by the District Court of Garvin County, Oklahoma.

4. In addition, on September 7, 2018, NewLight filed a “Motion for Temporary Restraining Order and Preliminary Injunction and Brief in Support” [Doc. No. 12] seeking to enjoin PVHA from: (1) further depositing its accounts receivable (i.e. NewLight’s properly secured collateral) with PVHA’s *junior creditor*, Pauls Valley National Bank (the Vice-President of the bank also sits on the Board of Directors of PVHA and, during the period of the imposition of the state court TRO, the bank was simply sweeping PVHA’s deposit account to satisfy its own *junior* interest, all of which is contrary to NewLight’s security interest and the Security Agreement, to which Pauls Valley National Bank is a signatory party), and, (2) instructing that PVHA’s accounts receivable be paid directly to NewLight pursuant to its properly secured security interest and the Security Agreement or ordering that such funds be placed into escrow pending further Order of this Court. *See* [Doc. No. 12].

5. On September 10, 2018, PVHA filed a “Motion for Extension of Temporary Restraining Order and Brief in Support” [Doc. No. 16] seeking an extension

¹ Following this Court’s Order of August 29, 2013 [Doc. No. 3], an Amended Notice of Removal was filed on September 4, 2018 [Doc. No. 4].

of the previously issued TRO entered in its favor by the District Court of Garvin County on August 15, 2018.

6. On September 10, 2018, each of the above-mentioned motions came on for hearing before the Court and, on September 12, 2018, the Court entered an Order [Doc. No. 21] that denied PVHA's motion to extend the existing TRO [Doc. No. 16], and granted NewLight's Motion for a Temporary Restraining Order [Doc. No. 12] to the following extent:

PVHA is directed to cease interference with NewLight's efforts to enforce its rights under the security agreement as to the receivables (i.e. contacting creditors and related remedies) and is further directed to provide for the depositing of receivables received by the PVHA into an appropriate escrow account pending further order of the court or the agreement of all affected parties including NewLight. *See* [Doc. No. 21], p. 6.

7. On September 21, 2018, following a subsequent hearing on NewLight's Motion for Preliminary Injunction [Doc. No. 12], the Court converted the TRO entered in favor of NewLight into a preliminary injunction based in part upon "the undisputed existence in NewLight's favor of a valid, perfected security interest in [PVHA's] receivables, and the low likelihood of plaintiff's success on a recoupment claim of sufficient size to offset the amounts otherwise owed by it to NewLight[.]" (*See* Order, [Doc. No. 28], p.2).

8. Pursuant to Fed.R.Civ.P. 12(a)(1)(B), PVHA's answer or other responsive pleading to NewLight's counterclaims was due on or before September 28, 2018. PVHA did not timely answer or otherwise respond to NewLight's counterclaims.

9. Pursuant to Fed.R.Civ.P. 55(a):

When a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend, and that failure is shown by affidavit or otherwise, the clerk must enter the party's default.

Accordingly, having failed to timely plead or otherwise defend NewLight's counterclaims, plaintiff PVHA is subject to the entry of a default on NewLight's counterclaims.

WHEREFORE, for the reasons stated herein, defendant NewLight respectfully moves that the clerk enter PVHA's default on NewLight's counterclaims [Doc. No. 10].

Respectfully Submitted,

S/ Ryan Leonard

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CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of October, 2018, I electronically transmitted the attached document to the Clerk of the Court using the ECF System for filing. Based on the records currently on file, the Clerk of Court will transmit a Notice of Electronic Filing to the following ECF registrants:

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